

**Summary of Fourth Negotiation Session on
New Water Supply Agreement**

Date of Session: January 27, 2003

Place: Santa Rosa Laguna Pumping Plant

Time: 9:00 AM – 12:00 Noon

Parties Present and Represented:

Cities: Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Windsor
Districts: North Marin, Marin Municipal, Sonoma County Water Agency,
and Valley of the Moon
Absent: Forestville Water District
(See Attachment A for complete list of attendees).

A. Opening Public Comment

Chris Sliz, Interest Based Negotiation (IBN) facilitator, opened the meeting inviting public comment. There was none.

B. Voting Method

Since Forestville was absent, voting represents the consensus of nine Parties (Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Windsor, North Marin, Marin Municipal, and Valley of the Moon). Each of the nine had one vote to cast pursuant to the rule adopted by the WAC at its meeting of September 9, 2002, namely:

- Decision making style: Consensus (defined as all Parties agreeing they are either (a) for an issue (thumbs up), (b) can live with it (thumbs horizontal) or (c) opposed (thumbs down). Vote results are reported in parentheses where taken as (a/b/c).
- If Parties can't come to consensus, table the issue and deal with it at the end of the negotiation.

Except for category headings, use of bold font indicates items considered and voted on by the Parties.

C. Recap of November 25th Negotiation Session

John Nelson then reviewed the November 25 session, namely:

- amendment of conservation issues language - referral to an ad hoc committee for further work,
- debate over communication with Agency Board of Directors – referred to ad hoc committee to meet with Agency Board representative,

- further discussion of need for economic and environmental impact information re. Marin Municipal Water District and Town of Windsor becoming “prime” contractors – Randy Poole to meet with other WAC and report back on pros and cons, and
- request of consultant for updated IBN based schedule

D. Conservation Issues language recommended by ad hoc committee

A marked up copy of changes proposed by the ad hoc committee to the original draft language provided by the Agency in response to the WAC’s Conservation Framework Issues was presented by Chris DeGabriele. These included yet additional changes proposed by the Agency staff after review once more by its attorney. The Parties approved the language presented with some additional changes as shown on Attachment B. Detailed voting is shown on Attachment C.

It was agreed Randy Poole and his attorneys, assisted by John Nelson, would work out the final wording and present to the Parties for final review at the next session.

E. Feedback from ad hoc group meeting with Agency Board of Director representatives

Jake Mackenzie reported he, Pam Torliatt and Jack Baker had met with Agency Board members Tim Smith and Paul Kelly. He said the ad hoc group recommends:

- **SCWA Board will name one of its members as Liaison to the WAC**
- **Liaison will meet with WAC policy committee at least semi-annually**

Parties, when asked to approve including this in the agreement as the solution for improving communication with the Board (it being understood other meetings could of course occur as mutually agreed from time to time as deemed necessary), voted (9/0/0)

It was agreed to take up the Governance Issues with these changes included at the next negotiation session.

F. MMWD and Town of Windsor

Randy Poole stated he had several meetings with water contractors on evaluating the impact of adding MMWD and the Town of Windsor as primes. He referred to the economic analysis prepared by Chris DeGabriele (a hard copy was passed out to all present) noting some significant revenue losses. He said the water contractors in the meetings identified certain conditions necessary to eliminating these impacts and had prepared a draft letter for the WAC to consider sending to MMWD and the Town of Windsor. He noted the environmental impacts were not determined but that the ad hoc group felt that by getting MMWD’s and Windsor’s response to certain items on the Agency’s Framework Issues List (refer to Attachment C of the SCWA Water Policy

Statement 2002, December 2002) that these questions could be better analyzed. To assist he has prepared a letter for MMWD and one for Windsor making more explicit how the Agency sees its framework issues affecting these parties. He said it was the recommendation of the ad hoc group that the WAC consider sending the letter with the Agency's letter as an attachment to each of MMWD and Windsor (drafts of the letters and attachment were made available to the Parties by email before the session and hardcopies supplied at the session).

Matt Mullan asked that Windsor be given opportunity to discuss the letter with the ad hoc group after the City has had a chance to review it and before it is approved for posting.

Pam Nicolai said this was not an IBN process but rather that WAC members were positioning. She said the environmental benefits of including MMWD had not been considered, that Ron Thiesen's input at the ad hoc meeting had not been considered and that MMWD's conditions for becoming a "prime" had not been considered.

The WAC decided to consider sending the letters with applicable attachment to MMWD and the Town of Windsor at the negotiation session set for February 24th and that in the mean time representatives from MMWD and/or Windsor should, as they see fit, meet with Mr. Poole and the ad hoc group to discuss details/issues/amendments to the letter. (7/0/0)

I. IBN Schedule

Consultant John Nelson presented a proposed amended schedule for negotiations based on the IBN process. He noted the schedule had been emailed well before the meeting and that he had received only one comment – from Cotati requesting the timeline for the Biological Assessment be included. Chris DeGabriele suggested that the MMWD/Windsor matter also be included in the schedule and that the startup of remaining negotiation items be delayed about 1 month based on today's progress.

Mr. Nelson said he would revise and place on next agenda.

K. Other Business

Toni Bertolero (representing Cotati) said she thought the IBN discussion process should be more general (bullet point) oriented rather than following the Framework Issues List. After discussion, it was decided without dissent to add an "Other Issues to Consider" item at the end of each agenda to be sure issues not brought up and resolved in the pursuing the Framework Issues List were considered/included.

L. Closing Public Comment

Brenda Adelman expressed concern about policy issues being made without adequate information, such as information from the Biological Assessment. She also wondered what was going to happen to the water conserved. Was it all going to satisfy new

growth? She also noted the risks in estimating available supply given global warming trends, potential for Eel River diversion limits, fish flow limits and permits yet to be acquired from the State.

M. Follow-up Tasks for Nest Session (9:00 AM, Laguna Treatment Plant, February 24, 2003)

1. Recap of January 27th Negotiation Session (Nelson).
2. “Final” Conservation Issue Language (Poole).
3. Governance Issues (Nelson).
4. Possible Revisions to Letters to MMWD and Town of Windsor (Poole and ad hoc group he convenes)
5. Revised IBN Schedule (Nelson).

N. Next Negotiation Session

Time and Date: 9:00 AM-12:00 PM, February 24, 2003
Place: Santa Rosa’s Laguna Treatment Plant

Attachment A
1/27/03 Session Attendees

Attendees:

Chris Sliz, City of Santa Rosa
Jane Bender, City of Santa Rosa
Virginia Porter, City of Santa Rosa
John Nelson, JONWRM
Jake Mackenzie, City of Rohnert Park
Bill Stephens, City of Rohnert Park
Chris DeGabriele, North Marin Water District
Syed Rizvi, North Marin Water District
Al Bandur, City of Sonoma
Toni Bertolero, City of Cotati
Pat Gilardi, City of Cotati
Pam Nicolai, Marin Municipal Water District
Jack Gibson, Marin Municipal Water District
Paul Berlant, Town of Windsor
Matt Mullan, Town of Windsor
Lee Harry, Valley of the Moon Water District
Mike Ban, City of Petaluma
Pam Torliatt, City of Petaluma
Steve Simmons, City of Petaluma
Mike Healy, City of Petaluma
Randy Poole, Sonoma County Water Agency
Tim Smith, Sonoma County Water Agency

Public Attendees:

Bob Anderson, United Winegrowers
Brenda Adelman, RRWPC
Steve Phelps, Marin Municipal Water District
Ron Theisen, Marin Municipal Water District
Larry Loder

Attachment C
Detailed Voting on Conservation Issues

- 1. Approve Section 1.1 (ss) Definitions language (9/0/0)**
- 2. In 1.12 (a), add requirement that regular customers and Agency remain a member of the CUWCC MOU in good standing (9/0/0)**
- 3. Approve balance of Section 1.12 (a) language (9/0/0)**
- 4. In Section 1.12 (b) retain penalty as 10% of O&M rate (8/2/0)**
- 5. In Section 1.12 (b) retain compliance period as 6 months after notice or such reasonable time as may be determined by WAC (6/3/0) Note:**
Voting on this originally failed but Petaluma moved from a can't live with it to can live with it position. Also, other periods were tested and failed, i.e. "12 months" (2/3/4), "as determined by WAC up to 12 months" (4/3/2)
- 6. In Section 1.12 (c) delete reference to "best efforts" and make it mandatory that Agency shall amend rules and regulations governing other Agency customers to comply with conservation provisions. (Same correction to apply to Section 4.18 (a). (8/1/0)**
- 7. Approve balance of Section 1.12 language (9/0/0)**
- 8. Approve Section 2.5 language (9/0/0)**
- 9. Section 4.1, approve adding a separate Water Conservation Charge (applies if MMWD becomes a "prime" but deferred consideration of other new charges proposed by Agency to a future negotiation meeting) (no vote taken but consensus acknowledged by negotiation facilitator)**
- 10. Approve balance of Section 4.18 (a) language (6/3/0)**
- 11. In Section 4.18 (b), add language which makes it clear that Water Conservation Charges paid by Windsor on its Russian River well diversions will be provided back to Windsor for use in funding its water conservation programs. (No vote taken but consensus acknowledged by negotiation facilitator)**
(Taken up later in the meeting:)
- 12. Approve language of 5.3 (c) (8/0/0)**
- 13. In Section 1.8, add requirement back in calling for detailed accounts showing expenditures made from O&M Charge revenue used for conservation projects (applies if MMWD is not a "prime"). (9/0/0)**